



January 27, 2014

HOUSE BILL No. 1062

DIGEST OF HB 1062 (Updated January 23, 2014 6:32 pm - DI 92)

Citations Affected: IC 6-1.1; noncode.

Synopsis: Debt service funds. Provides that the maximum amount allowed for an operating balance in the debt service fund is the sum of: (1) 50% of the budget estimate for the debt service on debt originally incurred before January 1, 2009, or on debt originally incurred after December 31, 2008, but before July 1, 2014, if the first bond payment of the year is due before January 11; plus (2) 25% of the amount budgeted for the ensuing year for other debt service. Provides that taxes levied under the allowance may not be construed as an increase in a political subdivision's property tax levy to make up for a reduction in property tax collections under the circuit breaker law. Provides that if the terms of a refinanced debt extend the period to repay the debt beyond the repayment period of the original debt, the obligation of the political subdivision to make a payment in a calendar year beginning after December 31 of the calendar year in which the original debt would have been retired is considered a debt originally incurred on the date that the refinancing is closed.

Effective: Upon passage.

Huston, Clere, Errington, Goodin

January 9, 2014, read first time and referred to Committee on Ways and Means.
January 27, 2014, amended, reported — Do Pass.

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January 27, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1062

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-17-22 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 22. (a) In determining the amount of the**
4 **levy for a debt service fund for an ensuing year, the maximum**
5 **amount allowed for an operating balance in the debt service fund**
6 **is the sum of:**

7 (1) fifty percent (50%) of the amount budgeted for the
8 ensuing year for debt service:

9 (A) on debt originally incurred before January 1, 2009; or

10 (B) on debt originally incurred after December 31, 2008,
11 but before July 1, 2014, if the first bond payment of the
12 year is due before January 1; plus

13 (2) twenty-five percent (25%) of the amount budgeted for the
14 ensuing year for debt service:

15 (A) on debt originally incurred after December 31, 2008,
16 but before July 1, 2014, if the first bond payment of the

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1 year is due after January 10; or

2 **(B) on debt incurred after June 30, 2014.**

3 **(b) For purposes of IC 6-1.1-20.6-9.5, the property taxes allowed**
4 **for an operating balance in the debt service fund under this section**
5 **may not be construed as an increase in a political subdivision's**
6 **property tax levy to make up for a reduction in property tax**
7 **collections resulting from the application of credits under**
8 **IC 6-1.1-20.6.**

9 **(c) This subsection applies to debt that is refinanced by a**
10 **political subdivision. If the terms of the refinancing extend the**
11 **period to repay the debt beyond the repayment period of the**
12 **original debt, the obligation of the political subdivision to make a**
13 **payment in a calendar year beginning after December 31 of the**
14 **calendar year in which the original debt would have been retired**
15 **is considered a debt originally incurred on the date that the**
16 **refinancing is closed.**

17 **SECTION 2. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-17-22,**
18 **as added by this act, applies to property taxes first due and payable**
19 **after December 31, 2014.**

20 **(b) This SECTION expires January 1, 2016.**

21 **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1062, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 9, after "debt" insert "**originally**".

Page 1, line 10, after "debt" insert "**originally**".

Page 1, line 15, after "debt" insert "**originally**".

Page 2, between lines 8 and 9, begin a new paragraph and insert:

"(c) This subsection applies to debt that is refinanced by a political subdivision. If the terms of the refinancing extend the period to repay the debt beyond the repayment period of the original debt, the obligation of the political subdivision to make a payment in a calendar year beginning after December 31 of the calendar year in which the original debt would have been retired is considered a debt originally incurred on the date that the refinancing is closed."

and when so amended that said bill do pass.

(Reference is to HB 1062 as introduced.)

BROWN T, Chair

Committee Vote: yeas 21, nays 0.

